

Missouri Division of Workforce Development
Skilled Workforce Initiative
Micro Enterprise Training & Support Grants
Competitive Funding Proposal
Program Year 2006
Guidelines

The state will make up to \$250,000 available under this initiative, to fund two to four demonstrations. Individual applications will be funded up to a maximum of \$65,000, and multi-region applications a maximum of \$125,000. Due to the long-term impact of this initiative, the Division of Workforce Development will provide funding annually for these projects for a maximum three-year commitment. Projects approved in the first year must re-apply each spring. Additional funds in subsequent years will be made available based on performance outcomes within the three-year commitment.

Applications must be received by March 31, 2006 and are subject to availability of funds. Allowability of business capitalization costs are subject to pending DOL waiver requests. The Division of Workforce Development (DWD) reserves the right to limit awards within local areas in an effort to evenly distribute funds statewide.

I. Executive Summary

Include a short description of the project, local collaboration, outcomes and leveraging of local resources including local activity funds (10% of three Title 1B formula funding streams).

II. Project Narrative

Purpose

The purpose of this Request for Application (RFA) is to solicit proposals for proven service approaches and strategies that will assist entrepreneurs from low-income or dislocated worker groups to have the resources to start a small business. This Micro Enterprise Training & Support (METS) grant is funded by the Workforce Investment Act (WIA) and is administered by DWD and the Local Workforce Investment Boards (LWIBs). Through this RFA, Missouri will be able to provide funding grants to LWIBs for the purpose of providing low-income and dislocated individuals with entrepreneurial training, technical support, and access to resources in order to start a new business.

Strategic Partnerships

Each METS project should include, at a minimum, a partnership/collaboration between the, LWIB, local educational agency (LEA), and local Innovation Center

and/or Small Business Development Center. Each agency should bring a vital role to the initiative. Roles may include, but are not limited to, the LWIB serving as the grantee and leading with outreach services, Local Innovation Centers and/or Small Business Development Centers may assist with accessing space, subject-matter experts, and technical support and LEAs may assist with providing training or accessing curricula and materials.

Firmly established and committed community partnerships are vital to the success of a METS project. The application should include other agencies that offer essential expertise and should outline the partnerships relevant to the project design, such as Missouri Enterprise. Identify all partners involved in the project and explain each partner's role. Each partner should verify its role in the project through a letter of commitment.

Statement of Need

From an economic development perspective, small businesses are critical to the success of a local economy. In addition, self-employment is a recognized and reputable career opportunity. From a workforce perspective, the target population of this grant is low-income individuals and dislocated workers with the interest and aptitude for starting a new, small business. This grant is a perfect opportunity to blend workforce development and economic development. In addition, this initiative provides an environment where entrepreneurs can strengthen local economies by creating jobs and contributing to the tax base, in turn resulting in more opportunities of self-sufficiency for an LWIB's workforce investment system customers and generating revenue for the community.

Demonstrate how this initiative will promote entrepreneurial project designs that will strengthen economic opportunities in the region through the use of labor market information and local economic development expertise to determine business needs, such as skills gaps, labor shortages, and product gaps in the community.

Project Design

Competitive grants will be awarded to LWIBs that have designed innovative and collaborative METS programs. The successful METS program will offer a business capitalization grant up to \$5000 to eligible participants after successful completion of an entrepreneurial-related training course at no cost to the participant. Eligible participation is limited to low-income individuals and dislocated workers who wish to start a new small business. The business capitalization funding under RFA may be used for costs associated with starting a small business.

Since a minimum collaboration is required among the LWIB, LEA and an Innovation Center and/or Small Business Development Center preference will be

given to those applications that demonstrate project contributions in addition to this grant that are provided through local funding or donation of in-kind or supportive services.

Low-income is defined as an individual who does not exceed 150% of the current federal poverty level.

Eligible services should include all or a combination of the following:

- Business management and/or entrepreneurial training for individuals that want to start their own business.
Preference will be provided for applicants that utilize the Kauffman Foundation's First Steps FastTrac curricula.
- Options for technical support, business management counseling, internships, and student or faculty resources.
- Business incubator space and any other supportive services.
- The portion of the funding available for direct start-up costs (up to \$5,000) should not be made available until the participant has successfully completed the entrepreneurial training course and submitted a business plan to be approved by an independent committee that includes bankers and local business persons.
- The LWIB is the grantee, but the application should identify the specific training provider(s). Training can be provided through Missouri's local educational institutions, vendor trainers, non-profit groups, subject matter experts, or a combination of training providers.

Describe how pending DOL waiver requests will be utilized to develop programs under this initiative.

This section should also include a timeline for the project, including milestones; short and long-term goals for the overall project.

Performance/Outcomes

All grant projects shall be performance-based with specific measurable performance outcomes. The LWIB may include performance measures or in addition to those required in the application.

Specific measurable performance outcomes the METS project plans to achieve can include at a minimum:

- Number of new jobs created;
- Number of businesses started;
- Number and percentage of participants completing the training program;

- Number and percentage of participants submitting business plans;
- Number and percentage of participants earning the start-up portion of the grant; and
- Number and percentage of businesses started still in operation (only applies to second and third year funding).

Training providers shall provide sufficient documentation to the local workforce investment area for identification of all participants (including social security numbers).

Staffing Qualifications

Not applicable

III. Use of Funds Policy

Reimbursable costs are part of the approved budget in the final METS grant award and can include:

- Tuition expense;
- Curriculum development;
- Instructor salaries;
- Textbooks/manuals and materials/supplies;
- Supportive services;
- Costs associated with the start-up of a business;
- Entrepreneurial related training (costs must not exceed \$3,000 per participant); and
- Costs associated with the start-up of a business or other non-training costs related to the project (cannot exceed \$5,000 per participant).

IV. Budget

The RFA budget submission guidelines prescribed are to be followed.

V. Project Reporting

The RFA project reporting guidelines prescribed are to be followed.

VI. Evaluation and Scoring

Proposals will be evaluated by an interagency team. Scoring criteria and weight assigned will be based on the following critical program elements:

Project Design and Innovation – 35%

(How well the application includes the required/suggested elements of project design. Quality of the METS training and outcomes planned for the project.)

Strategic Partnerships – 30%

(Firmly committed partnerships are vital to the success of a METS project. How well the application addresses the strategic partnerships of the project and in-kind contributions.)

Performance/Outcomes – 20%

(The quality of the specific measurable performance outcomes the MET project plans to achieve).

Budget and Financial Accuracy – 15%

(Each application should include a line item budget including a breakout of specific training costs and a description of other funds utilized in this project. Priority will be given to those applications leveraging other funding and in-kind contributions.)

VII. Reservation Clauses

The RFA reservation clauses prescribed are to be followed.

VIII. Procurement

The RFA procurement guidelines prescribed are to be followed.

Proposals should be submitted to the attention of Roderick Nunn, Division of Workforce Development, 421 East Dunklin, P.O. Box 1087, Jefferson City, MO 65102

E-mail: roderick.nunn@ded.mo.gov Fax: 573-522-9496.

Questions regarding this proposal should be submitted to Amy Deem, Division of Workforce Development, 421 East Dunklin, P.O. Box 1087, Jefferson City, MO 65102

E-mail: amy.deem@ded.mo.gov or by phone at 573-526-8271.